

522

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TR/AUDITOR/GR-VI/II/23

**TEST BOOKLET**

Test Booklet Series

**TITLE : Accounts, Audit, Cost Accountancy,  
Business Mathematics & Statistics and Basic  
Knowledge in Computer Application**

**PAPER – II**

**D**

\_\_\_\_\_  
(Signature of the Candidate)

\_\_\_\_\_  
(Invigilator's Signature)

**Time Allowed : 2 hours (Two hours)**

**Maximum Marks : 100**

**INSTRUCTIONS**

1. IMMEDIATELY AFTER THE COMMENCEMENT OF THE EXAMINATION, YOU SHOULD CHECK THAT THIS TEST BOOKLET DOES NOT HAVE ANY UNPRINTED OR TORN OR MISSING PAGES OR ITEMS ETC. IF SO, GET IT REPLACED BY A COMPLETE TEST BOOKLET.
2. **ENCODE CLEARLY THE TEST BOOKLET SERIES IN THE APPROPRIATE PLACE IN THE ANSWER SHEET BY BLACK BALL POINT PEN ONLY.**
3. This Test Booklet contains 100 items (questions). Each question, carrying 1 (one) mark only, has four responses (answers). You will select the response which you want to mark in the Answer Sheet. In case you feel that there is more than one correct response, mark the response which you consider the most appropriate. In any case, choose **ONLY ONE** response for each item.
4. You have to mark all your responses by **Black Ball Point Pen only** on the separate Answer Sheet provided. See directions in the Answer Sheet.
5. All items carry equal marks.
6. Before you proceed to mark in the Answer Sheet the responses to various items in the Test Booklet, you have to fill in some particulars in the Answer Sheet.
7. After you have completed filling in responses in the Answer Sheet and the Examination is completed, you should handover the Answer Sheet to the Invigilator only. You are permitted to take the Test Booklet with you.
8. Sheets for rough work are appended in the Test Booklet at the end.
9. **Instructions for wrong and multiple answer(s) :**
  - (a) There will be four alternatives for the answer to every question. However, there will be no negative marking for wrong answer.
  - (b) If a candidate gives more than one answer, it will be treated as a **Wrong Answer** even if one of the given answers happens to be correct.

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Four options are given against each of the following questions. Select the best/correct option from among the four options and encode in the Answer Sheet by using **Black Ball Point Pen** only as per example given below :

**Example :** The capital of India is

- (A) Delhi                      ☒ (B) New Delhi  
(C) Indraprastha            (D) None of these

1. Which of the following techniques of costing differentiates between fixed and variable costs ?  
(A) Marginal costing                      (B) Standard costing  
(C) Absorption costing                      (D) None of these
2. A budgeting process which demands each Manager to justify his entire budget in detail from beginning is  
(A) Functional budget                      (B) Master budget  
(C) Zero base budgeting                      (D) None of these
3. Purchase of Machinery by issue of shares should be \_\_\_\_\_ from Cash Flow Statement.  
(A) included                      (B) excluded  
(C) included with value 0                      (D) None of these
4. In a Balance Sheet, equity and fixed assets are expressed in terms of their  
(A) Market Value                      (B) Cost  
(C) Book Value                      (D) Replacement Value



5. In mutually exclusive projects, project which is selected for comparison with others must have
- (A) higher net present value                      (B) lower net present value  
(C) zero net present value                      (D) None of these
6. XYZ Ltd. has total fixed cost of Rs.2,00,000. The selling price per unit is Rs. 50 and the variable cost is Rs. 30. The Break-even point is \_\_\_\_\_.
- (A) 12,000 units                      (B) 10,000 units  
(C) 5,000 units                      (D) 4,000 units
7. Factors which govern the operating cost of an equipment are
- (i) Purchase price of the equipment  
(ii) Depreciation due to regular use  
(iii) Cost of operation, maintenance and repairs
- Which of the above statements are correct ?
- (A) (i) and (ii) only                      (B) (i) and (iii) only  
(C) (ii) and (iii) only                      (D) (i), (ii) and (iii)
8. Experience curve analysis is used to explain the phenomenon of how certain types of business strategies could benefit from its applications mainly in the area of
- (A) Customer Analysis                      (B) Strategic Analysis  
(C) Cost Reductions                      (D) Performance Appraisal
9. Interest paid by an Investment Company will come under which kind of activity while preparing a Cash Flow Statement ?
- (A) Cash Flow from Investing Activity  
(B) Cash Flow from Financing Activity  
(C) No Cash Flow  
(D) Cash Flow from Operating Activity



10. Salary paid to Plant Supervisor is a part of  
 (A) Direct Expenses (B) Factory Overheads  
 (C) Quality Control Cost (D) Administration Cost
11. Public money received by State Government is credited to which account?  
 (A) Contingency Fund of India (B) Consolidated Fund of India  
 (C) Public Account of India (D) Public Account of the State
12. General banking business of a State Government is generally carried and transacted by which Bank?  
 (A) Syndicate Bank (B) Central Bank of India  
 (C) Reserve Bank of India (D) None of these

13. What is the value of Mean and Median for the following data :

Marks	5-14	15-24	25-34	35-44	45-54	55-64
No. of Students	10	18	32	26	14	10

- (A) 30 and 28 (B) 29 and 30  
 (C) 33.68 and 32.94 (D) 32.41 and 33.18
14. What must be added to each term of the ratio 49:68 so that it becomes 3:4 ?  
 (A) 3 (B) 5  
 (C) 8 (D) 9
15. Thirty balls are serially numbered and placed in a bag. Find the chance that the first ball drawn is a multiple of 3 or 5.  
 (A)  $\frac{8}{15}$  (B)  $\frac{2}{15}$   
 (C)  $\frac{1}{2}$  (D)  $\frac{7}{15}$



- 422
16. The Mean of 100 students was 45. Later on, it was discovered that the marks of two students were misread as 85 and 54 instead of 58 and 45. Find correct Mean.
- (A) 68 (B) 36  
(C) 44.64 (D) 52
17. The average salary of a group of unskilled workers is Rs. 10,000 and that of a group of skilled workers is Rs. 15,000. If the combined salary is Rs. 12,000, then what is the percentage of skilled workers ?
- (A) 40% (B) 50%  
(C) 60% (D) None of these
18. Effective rate of interest does not depend upon
- (A) Amount of Principal (B) Amount of Interest  
(C) Number of conversion periods (D) None of these
19. The distribution of profits of company follows :
- (A) J-shaped frequency curve (B) U-shaped frequency curve  
(C) Bell shaped frequency curve (D) Any of these
20. In a group of persons, average weight is 60 kg. If the average of males and females taken separately is 80 and 50 kg respectively, find the ratio of the number of males to that of females.
- (A) 2:3 (B) 3:2  
(C) 2:1 (D) 1:2
21. If all observations in a distribution are increased by 6, then the variance of the series will be \_\_\_\_\_.
- (A) increased (B) decreased  
(C) unchanged (D) None of these





22. The value of Scooter is Rs. 1,00,000 and its rate of depreciation is 10% p.a. Calculate total depreciated value of Scooter at the end of seven years.
- (A) Rs. 47,829.70 (B) Rs. 47,000.90  
(C) Rs. 42,709.00 (D) Rs. 42,000.00
23. Which of the following keyboard shortcuts in MS-Word 2021 can be used to underline text with double lines ?
- (A) Ctrl + Shift + D (B) Alt + Shift + U  
(C) Alt + Shift + D (D) Ctrl + Shift + U
24. To insert a new worksheet in MS Excel, we press ?
- (A) Shift + F5 (B) Shift + F6  
(C) Shift + F10 (D) Shift + F11
25. Macro enabled workbook file extension is \_\_\_\_\_.
- (A) .xlsx (B) .xlsm  
(C) .xslv (D) .xlsw
26. Tally is an example of \_\_\_\_\_.
- (A) an Application software (B) an Utility software  
(C) a System software (D) an Operating system
27. What impact do emerging technologies like AI and block chain have on accounting software and Excel in the field of accounting and auditing ?
- (A) No impact at all.  
(B) They are making accounting software obsolete.  
(C) They are enhancing the capabilities of accounting software and Excel by automating tasks and improving data security.  
(D) They are increasing the cost of accounting software.



28. In PowerPoint, what is the term for a predefined slide layout that can be used to organize content ?
- (A) Slide design (B) Slide master  
(C) Slide template (D) Slide transition
29. What does "URL" stand for in the context of the internet ?
- (A) Uniform Resource Locator (B) Universal Remote Link  
(C) User Registration List (D) Unified Resource Library
30. Internal Controls comprise of the following interrelated components: Control Environment, Risk Assessment, Control Activities, \_\_\_\_\_ and Monitoring.
- (A) Control Reporting (B) Internal Control  
(C) Delegation (D) Information and Communication
31. Type of automated environment in which business operations and transactions are initiated, processed and recorded immediately on their occurrence is
- (A) Real Time processing (B) Batch processing  
(C) Time Sharing processing (D) Service Bureau processing
32. A Spreadsheet cannot be used for
- (A) Pay-roll accounting (B) Depreciation accounting  
(C) Budgeting (D) Answering a query
33. For being laid before the State Legislature the CAG submit the State Audit Reports to whom ?
- (A) The Governor of the State  
(B) The Speaker of the State Legislature  
(C) The Chairman, Public Accounts Committee  
(D) The Finance Minister of the State



34. Special Ways and means advances availed from Reserve Bank of India are generally repayable within what period ?
- (A) Not exceeding three months (B) Not exceeding one month
- (C) Not exceeding six months (D) Not exceeding a year
35. Which among the following is an Indirect Tax ?
- (A) Agricultural Income Tax (B) Taxes on Profession
- (C) Wealth Tax (D) Stamp Duty
36. The powers and duties of the Comptroller and Auditor General of India for audit of the autonomous bodies, are derived from which Article of the Constitution of India ?
- (A) Article 148 (B) Article 149
- (C) Article 150 (D) Article 151
37. The distribution of the Legislative Powers between the Union and the States is governed by which Article of the Constitution?
- (A) Article 279 (B) Article 269
- (C) Article 246 (D) None of these
38. Which of the following record is generally NOT maintained in a PWD Sub division Office ?
- (A) Cash Book (B) Muster Roll
- (C) Works Abstract (D) Contractor's Ledger
39. How many Major Heads are there under PART II-Contingency fund ?
- (A) 2 (B) 3
- (C) 6 (D) 1



40. In respect of a State Government Company, copy of the Auditor's Report and any comments thereon or supplement thereto made by the Comptroller and Auditor General of India are places before which of the following?
- (A) Reserve Bank of India
  - (B) Board of Directors of the Company
  - (C) Comptroller and Auditor General of India
  - (D) The Legislature
41. Final decision as to what items of plants are to be depreciated and distributed is decided by whom?
- (A) The Executive
  - (B) The Audit
  - (C) The Legislature
  - (D) None of these
42. Expenditure on public works for the construction of non-residential buildings for administrative and office purposes of Government exclusively relating to functions under General services will be accounted for under the appropriate major head for \_\_\_\_\_.
- (A) Public works or capital outlay on public works
  - (B) The relevant General Service
  - (C) Suspense
  - (D) None of these
43. In how many parts are Government Accounts kept?
- (A) 2
  - (B) 1
  - (C) 3
  - (D) None of these
44. Travelling allowance and Daily allowance to officers of State Governments appointed as Members of Committees set up by Government of India are borne by whom?
- (A) State Government
  - (B) Central Government
  - (C) Shared equally by (A) and (B)
  - (D) None of these



45. Government Transactions which incur a liability to repay the money received is accounted in which part of the Government Accounts ?
- (A) PART-I (B) PART-II  
(C) PART-III (D) None of these
46. Charges for intermediate maintenance of a work not yet opened for service shall be treated as \_\_\_\_\_.
- (A) Capital (B) Revenue  
(C) Neither Capital nor Revenue (D) None of these
47. Whose approval is required for abolition or change of nomenclature of any of the existing Heads of classification ?
- (A) Finance Minister with the approval of Cabinet wherever necessary  
(B) Director of Treasuries with the approval of Finance Minister wherever necessary  
(C) Comptroller and Auditor General of India with the approval of President wherever necessary  
(D) Controller of Accounts
48. Which among the following constitutes the primary unit of appropriation for the purpose of Demands for Grants of Government ?
- (A) Major heads (B) Minor heads  
(C) Sub-heads (D) Detailed heads
49. In which order Government transactions are accounted in Government accounts ?
- (A) Division/Section, Sector/Sub-sector, Major Head  
(B) Division/Section, Major Head, Sector/Sub-sector  
(C) Sector/Sub-sector, Major Head, Division/Section  
(D) Major Head, Division/ Section, Sector/Sub-sector



50. How many main divisions are there for PART-I of the Government Accounts ?
- (A) 2 (B) 3  
(C) 4 (D) 6
51. An office incurs an expenditure of Rs. 5,000 on 7.4.2019. Accounts for the year 2018-19 was open till 30.4.2019 for making adjustments. In which year's account, the expense of Rs. 5,000 will be booked ?
- (A) 2018-19 (B) 2019-20  
(C) Either in 2018-19 or 2019-20 (D) None of these
52. Government accounts are generally maintained in which accounting system ?
- (A) Single Entry system (B) Double Entry system  
(C) Hybrid system (D) None of these
53. Money settlement of transactions initially taken against the balance of State which are eventually adjustable to the balance of State is effected through which office?
- (A) Central Accounts Section of RBI  
(B) Directorate of Treasuries  
(C) Central Bank of India  
(D) Union bank of India
54. Who compiles the accounts of defence services as a whole ?
- (A) Comptroller and Auditor General  
(B) Controller General of Defence Accounts  
(C) Ministry of Finance  
(D) Director of Treasuries



55. Where are the initial accounts of all receipts on behalf of State Government generally maintained ?  
 (A) Treasury (B) Accountant General's Office  
 (C) Controller General of Accounts (D) None of these
56. Loans raised by State Government by issue of Treasury Bills are credited to which Fund ?  
 (A) Contingency Fund of India (B) Consolidated Fund of India  
 (C) Public Account of India (D) Consolidated Fund of the State
57. After preparing Trial Balance the Accountants finds that the total of debit side is short by Rs. 1,500. This difference will be :  
 (A) Credited to Suspense Account  
 (B) Debited to Suspense Account  
 (C) Adjusted to any of the debit balance account  
 (D) Adjusted to Capital Account
58. When drawing up a Bank Reconciliation Statement, if you start with a debit balance as per the Bank Statement, the unpresented cheques should be :  
 (A) added  
 (B) deducted  
 (C) not required to be adjusted  
 (D) shown in Footnotes to Bank Reconciliation Statement
59. Contra entries are passed only when  
 (A) Double-Column Cash book is prepared  
 (B) Three-Column Cash book is prepared  
 (C) Simple Cash book is prepared  
 (D) Petty Cash book is prepared



- 4/4
60. Which written document is prepared by seller for goods sold against cash which acts as a evidence for both the seller and the purchaser of goods.
- (A) Cash in slip (B) Cash bill  
(C) Cash memo (D) Voucher
61. Cash deposit with the Bank with a maturity date after two months belongs to which of the following in Cash Flow Statement ?
- (A) Investing Activities (B) Financing Activities  
(C) Cash and cash Equivalents (D) Operating Activities
62. According to the Principle of Prudence
- (A) Ignore all anticipated losses (B) Record all anticipated profits  
(C) Record all anticipated losses (D) Ignore all anticipated profits
63. Production cost under Marginal costing includes
- (A) Prime cost only  
(B) Prime cost and fixed overhead  
(C) Prime cost and variable overhead  
(D) Prime cost, variable overhead and fixed overhead
64. \_\_\_\_ is the best alternative to MS Excel offered by Google Inc.
- (A) Google Slides (B) Google Sheets  
(C) Google Files (D) Google Keep
65. Which of the following would be considered as external users of accounting information ?
- (A) Board of Directors (B) Shareholders  
(C) Finance Managers (D) Sales Managers



66. Appropriation Account is prepared at

- (A) Minor Head-Programme level (9 digits)
- (B) Sub Head-Scheme level (11 digits)
- (C) Detailed Head level (13 digits)
- (D) Object Head level (15 digits)

67. What is 'Propriety' in compliance audit ?

- (A) operations in accordance with the principles of economy, efficiency and effectiveness.
- (B) adherence of the subject matter to the formal criteria emanating from relevant laws, regulations and agreements applicable to the entity.
- (C) observance of the general principles governing sound financial management and the ethical conduct of public officials.
- (D) value for money for citizens.

68. Which of these is a statutory measure to enforce fiscal discipline ?

- (A) Fiscal Rules
- (B) Appropriation Act
- (C) Finance Bill
- (D) Parliament Committees

69. Which of the following is NOT a source of initial accounts of the State Government ?

- (A) District Treasuries
- (B) Pay and Accounts Offices of the State Government
- (C) PWD Divisions of the State
- (D) C&AG Office



70. Which Ministries in Government are required to prepare Subsidiary Proforma accounts which includes Manufacturing, Trading, Profit & Loss Accounts and Balance Sheet ?
- (A) Ministry of Railways (B) Department of Post
- (C) None of the above (D) Both (A) and (B)
71. Which of the following is NOT considered a category of Audit Risk?
- (A) Detection Risk (B) Scoping Risk
- (C) Inherent risk (D) Control risk
72. Which of the following is most commonly used to mitigate risks discovered by organizations ?
- (A) Controls (B) Personnel
- (C) Resources (D) Threats
73. After you enter a purchase order in an online system, you get the message, "The request could not be processed due to lack of funds in your budget". This is an example of \_\_\_\_\_ error.
- (A) Detection (B) Correction
- (C) Prevention (D) Recovery
74. Reviewing Management's Long-term strategic plans helps the IS Auditor
- (A) Gains an understanding of an organization's goals and objectives
- (B) Tests the enterprise's internal controls
- (C) Assess the organization's reliance on information systems
- (D) Determine the number of audit resources needed



75. The Auditor should use which of the following when developing the overall Audit Plan and determining priorities for the effective allocation of Audit Resources ?
- (A) Audit Materiality (B) The work of outside experts  
(C) Risk Assessment (D) Business Governance
76. While reviewing internal controls in an organization, an auditor recommends that duties should be regularly rotated. The effect of implementing this recommendation would ensure which of the following controls ?
- (A) Detective (B) Compensating  
(C) Corrective (D) Preventive
77. Which among the following is not a Risk management strategy ?
- (A) Tolerate Risk (B) Analyse Risk  
(C) Terminate Risk (D) Turn back
78. Which of the following cannot be classified as Audit risk ?
- (A) Inherent Risk (B) Detection Risk  
(C) Controllable Risk (D) Administrative Risk
79. What is designed to evaluate the internal control structure in a given process or area ?
- (A) Operational Audit (B) Financial Audit  
(C) Integrated Audit (D) IS Audit
80. Which of the following factors should not be considered in establishing the priority of audits included in an Annual audit plan ?
- (A) Prior audit findings (B) The time period since the last audit  
(C) Auditee procedural changes (D) Use of audit software



81. In processing the Review, the following stages are involved, find out the incorrect one

- (A) Preliminary study of selected Project/Scheme
- (B) Development of Audit Plan
- (C) Discussion with Auditee Entity
- (D) Preparing the Review Report

82. "Three parties in the audit" is one of the elements of Performance Audit, which option is correct ?

- (i) The Auditor
- (ii) The Responsible Party
- (iii) The Reader

(A) (i) and (ii)                      (B) (i) and (iii)  
(C) (ii) and (iii)                  (D) All of these

83. Which statement is NOT correct ? The Government accounts mainly record :

- (A) Cash flows into and out of Government cash balance maintained by the Reserve Bank of India.
- (B) Amount due to or due by Government for the year.
- (C) Stock of Government's liabilities (Public Debt and transactions on Public Account) and financial assets (Loans & Advances).
- (D) Certain non-cash transactions (in-kind external assistance, write off of losses and conversion of past loans into grants etc.

84. Which is not a correct statement ? The main items of capital receipts are

- (A) loans raised by Government from public called market loans
- (B) borrowings from RBI and other parties through sale of Treasury Bills
- (C) loans received from Foreign Governments
- (D) loans granted by Central Government to State and Union territory governments and other parties



409

85. How many statements are there in State Government Finance Accounts ?

- (A) 16
- (B) 17
- (C) 22
- (D) 11

86. Which of the following is NOT a source of initial accounts of the State Government ?

- (A) District Treasuries
- (B) Pay and Accounts Offices of the State Government
- (C) PWD Divisions of the State
- (D) C&AG Office

87. The objective of Fiscal Policy is

- (A) to achieve equal distribution of wealth
- (B) increase in savings
- (C) price stability
- (D) All of the above

88. Which of the following is NOT true Public Account of India ?

- (A) The money lapses at the end of Financial year
- (B) Moneys held by Government in trust is kept in Public Account
- (C) Provident Fund, Small Saving Scheme collection are kept in Public Account
- (D) None of the above

89. Data on 'Indian Public Finance Statistics' is published by

- (A) Ministry of Finance
- (B) National Institute of Public Finance and Policy
- (C) Indian Statistical Institute
- (D) Reserve Bank of India



90. Payment to Pensioners of Central Government are governed by which Rules ?
- (A) Central Government Accounts (Receipts and Payment) Rules, 1983
  - (B) Treasury Rules of Central Government
  - (C) Treasury Rules of State Government
  - (D) Pension Rules applicable to Central Government employees
91. Which Article under the Indian Constitution provides the provision of financial emergency in the Country ?
- (A) Article 352
  - (B) Article 356
  - (C) Article 360
  - (D) Article 365
92. Annual General Financial Statement submitted by CAG to the President represents what ?
- (A) Summary of accounts of Central Government
  - (B) Summary of Accounts/Transactions of all State Governments side by side
  - (C) Summary of Accounts/Transactions of Central and all State Governments side by side
  - (D) None of these
93. Which is the main unit of classification in Government accounts ?
- (A) Division
  - (B) Minor head
  - (C) Sector
  - (D) Major head
94. Major heads of Government accounts generally corresponds to which of the following ?
- (A) Functions of the Government
  - (B) Schemes/activities
  - (C) Programmes to achieve the objective of the functions
  - (D) None of the above



402

95. The overall responsibility of co-ordination and control over Finances of Government in States is confined to whom ?

- (A) State Finance Department                      (B) Ministry of Finance  
(C) Reserve Bank of India                      (D) Accountant General

96. Who are the members of State Public Accounts Committee ?

- (A) Members of the State Legislature  
(B) Members of State Legislature and three other eminent personalities  
(C) Secretaries of each Department and Chief Secretary  
(D) None of these

97. Which of the following is not an example of audit documentation ?

- (A) Summary of discussions with the entity's key decision makers  
(B) Auditor's report on the entity's financial statements  
(C) Agreements with management regarding the scope or changes in scope of services  
(D) None of the above

98. Which of the following is NOT correct ?

- (A) Audit strategy and audit plan are inter-related to each other because change in one would result into change in the other.  
(B) The audit plan is prepared before the audit strategy.  
(C) The audit plan contains more details than the overall audit strategy.  
(D) Audit strategy provides the guidelines for developing the audit plan.



99. When establishing the overall audit strategy, the auditor shall determine materiality for the
- (A) financial statements as a whole
  - (B) particular classes of transactions, account balances or disclosures
  - (C) Both (A) and (B)
  - (D) Either (A) or (B)
100. Analytical procedures issued in the planning stage of an audit, generally :
- (A) helps to determine the nature, timing and extent of other audit procedures
  - (B) directs attention to potential risk areas
  - (C) indicates important aspects of business
  - (D) All of the above.